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SHANGHAI MUNICIPAL POLICE.

REPORT

SECTION 2

Date November 16, 1933

Subject (in full) Dunn, alleged member of the Central Committee of the Chinese Communist Party.

Made by D.S. Prokofiev.

Forwarded by

With reference to the attached translation of extract from French Police Intelligence Report dated October 20, 1933, containing V.A. Morison's statement on the subject of "Financial and material support for Chinese Red Armies", I have to state that no information is available as to the identity of the individual named Dunn who, according to Morison, is a representative of the Central Committee of the Chinese Communist Party maintaining contact with the local Soviet agents. Morison definitely states that Dunn is a Chinese, but he is unable or unwilling to furnish any information which could lead to the establishment of Dunn's identity.

It is possible that the name "Dunn" is an incorrectly romanized Chinese name. In this connection it is of interest to note that one Dung Tsoong Hsia (鄧中夏) alias Dung An Zah (鄧安仁), member of the Central Committee of the Chinese Communist Party in 1924-5, was mentioned in the statement of Chiang Vee Sing in December 1932 (Shooting Affray at No 1040 S Vung Lee, off Tatung Road, File D-4257).

G. Prokofiev

D.S.

Officer i/c Special Branch.

Ep'ri Rep.

Please file

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EXTRACTS FROM FRENCH POLICE INTELLIGENCE REPORT.

October 20, 1933.

Financial and Material Support for Chinese Red Armies.

The following is a translation of the second report submitted by V. A. Morrison, a former employee of the local Branch of Centrosojus, to the Chinese Military authorities:-

In compliance with a decision of the Bureau of Finance of the Central Committee of the Communist Party of the U.S.S.R. made on October 26, 1931 on the subject of work in foreign countries, all funds for the support of communist organizations in countries of the Far East (China, Japan and Korea) are to be transferred, not by certain trustworthy firms as had been done hitherto, but direct to the representatives of the Chinese communist organizations.

This new system has been applied to China since the end of 1932. The great lapse of time between the date of the decision of the Central Committee of the Communist Party of the U.S.S.R. and the date of its enforcement is due to the fact that the Chinese communist organizations, such as the Chinese Communist Party in the sovietized regions have not been able to nominate, within the time designated, the representatives to whom more or less large sums of money might be entrusted. The delay in the selection of representatives by the Chinese communist organizations was due to the fact that the decision of the Bureau of Finance of the Central Committee of the Communist Party of the U.S.S.R. stipulates that all responsibility for the remittance of funds to their destination shall fall directly on the secretary-general of the Chinese Communist Party. This condition is being insisted upon owing to the fact that a certain sum of money destined for the Japanese Communist Party and which was to have been remitted by a trustworthy person----a Japanese----had been

Mikhailov
Seregin
Savagin
Tselukhov
Kreshitorg
Markov

misappropriated by the man who later sought refuge in the Philippine Islands.

Early in the month of April, a sum made up of gold &38,000, Mex. \$45,000 and Yen 25,000 was remitted to the Chinese Communist Party through the intermediary of N. F. Mikhailoff, a representative of Centrosojus. The largest portion of this money was destined for the "red" regions in China. N. F. Mikhailoff proceeded to Tientsin early in April for this purpose. The official object of his journey was to attend to the sale of a stock of U.S.S.R. cotton thread. Shortly before the voyage of Mikhailoff to Tientsin, a person named Sereguine, manager of the Tientsin branch of Centrosojus, arrived in Shanghai (February, 1933) to inform him that the representatives of the Chinese soviet regions were expected at Tientsin early in April. Another person named Saneguine, an employee of the local Branch of Centrosojus, was sent to Tientsin early in April to secure information from the Chinese about the amount they required. The object of his journey was at that time stated to be the sale of U.S.S.R. textile products.

Upon his arrival in Shanghai, Sereguine stated that an interview could be arranged with the representative of the Chinese Communist Party at Tientsin in the premises of the Chihli Trading Co., a firm which is owrking for the sale of U.S.S.R. textile products, but after the journey to Tientsin, it was found that an interview could be held only at the office of the branch of Centrosojus. It was at this place where Mikhailoff actually met the Chinese communists in question and handed to them the amounts indicated above. It is to be noted that in addition to the sums remitted to the representatives of the Chinese Communist Party by Mikhailoff, Saneguine also handed to them a sum of Mex. \$25,000.

75% of the amounts handed to the Chinese by Saneguine as well as by Mikhailoff consisted of forged banknotes of the Bank of Communications. These banknotes had been imported into Shanghai on board a soviet steamer which

arrived in Shanghai with a cargo of U.S.S.R. petroleum in February, 1933.

It seems that Mikhailoff did not hand the full amount of gold \$38,000 to the representative of the Chinese Communist Party because he did not want to arouse suspicion through the appearance of such a large amount of American dollars in the soviet regions. About gold \$15,000 (all counterfeit) were taken back to Shanghai by Mikhailoff and handed to the deputy manager of the local branch of the Dalbanque in the name of Tzalookhoff (Tseloukhoff). This last named is the special agent for the distribution of money destined for secret work in China. In 1932, this man made a voyage to Moscow to formulate a plan for the distribution of secret funds for the year 1933.

At about the same time, money was remitted to the Central Committee of the Shanghai Branch of the Chinese Communist Party. This took place not long after the arrival in Shanghai of Waldmann, representative of the Vnechtorg (foreign commerce of the U.S.S.R.). This person was formerly a procurator of Moscow who is at present directing, for the time being, the Japanese and Korean Sections of the Central Committee of the Communist Party of the U.S.S.R.

A conference, for this purpose, was held with a representative of the local Branch of the Chinese Communist Party (in March, 1933) in house No. 47 Rue Amiral Courbet. At this conference, were present M. Markoff, manager of the local Branch of Centrosojus, Morrison (who was, at this time, manager of the Chemical Department of this establishment), Tzalookhoff (Dalbanque) and a person named Dunn, the representative of the Central Committee of the Chinese Communist Party. Waldmann gave Dunn certain instructions on the policy to be followed by the Chinese Communist Party as a result of the Sino-Japanese conflict and in view of the possibility of a conflict between the U.S.S.R. and

Japan. Waldmann added that he would proceed to Tientsin to issue instructions.

At the close of the meeting, Tzaloohoff, on the orders of Waldmann, handed Dunn a sum of Mex. \$12,000 and Yen 15,000. The official reason for this meeting was given out as the opening of negotiations for the sale of the products of the Soyuzneft.

After the return of Waldmann to Tientsin, he had another meeting with Markoff, Tzaloohoff, Morrison and a Chinese named Kai Ho who works in the economics department of the local Branch of Centrosojus and who speaks Russian. (This Chinese is short and thin and looks like a Japanese). Little was discussed at this meeting: it was simply pointed out that the work done at Tientsin was insufficient. There was a shortage of funds and large sums were required for the intensification of the propaganda in this city. Waldmann promised to bring forward this question upon his return to Moscow.

At the close of the meeting, everybody left the house except Waldmann who had a private conversation with the Chinese Kai Ho.

DUNN

Representative of Central Committee of Chinese
Communist Party. Chinese.

MORISON, V. A.

Former employee of Centrosojus

MIKHAILOFF, N. F.

Representative of Centrosojus.

SEREGUINE

Manager of Tientsin branch of Centrosojus

SANEGUINE

Employee of local Branch of Centrosojus

Chihli Trading Co.

Works for sale of U.S.R textile products.

TZALOCHOFF (TSELOUKHOFF)

Special agent for distribution of money destined for secret work in China.

WALDMANN

Representative of the Vnechtorg (foreign commerce of USSR)

MARKOFF, M.

Manager of local Branch of Centrosojus

SECRET

SMP: No. D 5466

SHANGHAI MUNICIPAL POLICE
C. & S. B. REGI
No. **D**
Date Nov 1 / 1933

November

23

33.

Sir,

I have the honour to acknowledge your letter No. 3403 dated November 15, 1933, and to state that there is nothing in the Police records against Miss Luba Kinger who desires to travel through Netherlands India to Great Britain.

I have the honour to be,

Sir,

Your obedient servant,

J. H. G.
Officer i/c Special Branch.

J. Van den Berg, Esq.,

Netherlands Consulate-General,

Shanghai.